



LOUISIANA INSURANCE
RATING COMMISSION

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STATE OF LOUISIANA

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Bulletin LIRC 96-02

DATE: APRIL 4, 1996

**TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES
MAKING RATE AND RULE FILINGS IN LOUISIANA**

RE: POLICY AUDITING PROCEDURES

The purpose of this bulletin is to clarify policy auditing procedures of the Louisiana Insurance Rating Commission (LIRC) under the authority of L.R.S. 22:1415(B). Commercial automobile and general liability policies are audited by the LIRC - Automobile and General Liability Divisions.

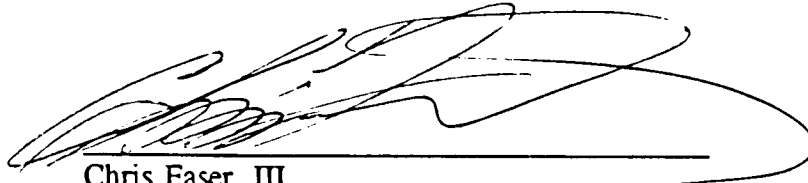
As in the past, companies should continue to submit all commercial automobile and general liability policies for audit. To facilitate these audits, all relevant information used to determine the final premium charged (i.e., limits of liability, classification, description of units, etc.) must be submitted as provided in L.R.S. 22:624.C.

Therefore, all admitted property and casualty companies writing commercial automobile or general liability policies, to which a scheduled credit or debit is applied must:

- (1) Prominently display the scheduled credit or debit on the declaration page or scheduled pages at the issuance of the new or renewal policy.
- (2) Apply scheduled credit or debit for twelve (12) months, as required by L.R.S. 22:1401.J.
- (3) Not amend the scheduled credit or debit after the policy's issuance date until expiration or renewal of the policy, except as allowed by Louisiana law, regulation or rule of the Louisiana Department of Insurance.

Should a company fail to comply with this bulletin, the LIRC and the Louisiana Department of Insurance reserves the right to take action as provided in L.R.S. 22:1447 and other applicable provisions of Louisiana Law.

If you have any questions regarding this bulletin, please call LIRC staff at (504)342-5202.

A handwritten signature in black ink, appearing to read "Chris Faser, III", written over a horizontal line.

Chris Faser, III
Deputy Commissioner/LIRC